

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:
04-02

2. STATE
Nevada

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE
January 1, 2004

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

7. FEDERAL BUDGET IMPACT:

a. FFY 2004 (\$ 1.9 Million)

b. FFY 2005 (\$ 4.9 Million)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 3.1 A, page 5b

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 3.1 A, page 5 b

10. SUBJECT OF AMENDMENT: Preferred Drug List and Supplemental Rebates

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Michael J. Willden

14. TITLE:

Director, DHR

15. DATE SUBMITTED:

APR 15 2004

16. RETURN TO:

John A. Liveratti, Chief

DHCFP/Medicaid

1100 East William Street, Suite 102

Carson City, Nevada 89701

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

JANUARY 16, 2004

18. DATE APPROVED:

APRIL 22, 2004

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JANUARY 1, 2004

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

LINDA MINAMOTO

22. TITLE:

ASSOCIATE REGIONAL ADMINISTRATOR
DIVISION OF MEDICAID & CHILDREN'S
HEALTH

23. REMARKS:

BLOCK 17: ORIGINAL HCFA 179 RECEIVED ON JANUARY 16, 2004.

3. The State will not pay for covered outpatients drugs of a non-participating manufacturer, except for drugs rated "1-A" by the FDA. If such a medication is essential to the health of a recipient and a physician has obtained approval for use of the drugs in advance of it's dispensing, it may be covered by the program pursuant to section 1927(a)(3).
4. The Medicaid program restricts coverage of certain covered outpatient drugs through the operation of a prior authorization program. The prior authorization process provides for a turn-around response by either telephone or other telecommunications device within twenty-four hours of receipt of a prior authorization request. In emergency situations, providers may dispense at least a seventy-two hour supply of medication in accordance with the provisions of §1927 (d)(5) of the Social Security Act.
5. Pursuant to 42 U.S.C. section 1396r-8 the state is establishing a preferred drug list with prior authorization for drug not included on the preferred drug list. The state, or the state in consultation with a contractor, may negotiate supplemental rebate agreements that will reclassify any drug not designated as preferred in the baseline listing for as long as the agreement is in effect.
6. Pursuant to section 1927(d)(6) the State has established a maximum quantity of medication per prescription as a 34-day supply.
 - a) In those cases where less than a 30-day supply of maintenance drug is dispensed without reasonable medical justification, the professional fee may be disallowed.
 - b) In nursing facilities if the prescriber fails to indicate the duration of therapy for maintenance drug, the pharmacy must estimate and provide at least a 30-day supply.
7. The state will meet the requirements of Section 1927 of the Social Security Act. Based on the requirements for Section 1927 of the act, the state has the following policies for the supplemental rebate program for Medicaid recipients:
 - a) CMS has authorized the State of Nevada to enter into the Michigan multi-state pooling agreement. The model supplemental agreement entitled "Michigan Multi-State Pooling Supplemental Rebate Agreement" was submitted to CMS on January 16, 2004 and has been authorized by CMS.
 - b) Supplemental rebates received by the State under these agreements by the State that are in excess of those required under the national drug rebate agreement will be shared with the federal government on the same percentage basis as applied under the national rebate agreement.
 - c) All drugs covered by the program, irrespective of a prior authorization requirement will comply with provisions of the national drug rebate agreement.